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### Remarks

The present amendment responds to the Official Action mailed May 12, 2003. The Official Action rejected claims 1, 2, 5-8, and 10-24 under 35 U.S.C. §103(a) based on Heutschi U.S. Patent No. 6,335,678 ("Heutschi"). Claim 9 was rejected under 35 U.S.C. §103(a) based on Heutschi in view of Sean McManus, *The Virtual Record Co.* (Melody Maker, July 10, 1999) ("McManus"). These issues are addressed below following a brief discussion of the present invention to provide context.

Claims 1, 10, 13, 14, 16, and 18 have been amended to be more clear and distinct. Support for these claim amendments is found at page 4, lines 1-3. Claims 11, 12, 19 and 20 have been canceled without prejudice. Claims 1, 2, 5-18, and 21-24 are presently pending.

### The Present Invention

The advent of electronic book readers and the widespread use of personal digital assistants (PDAs) have increased the convenience of reading electronic books and have made it more likely that electronic books will be widely accepted in the marketplace. In addition, the portability of these devices and their increased memory capacity make it attractive to travelers to carry electronic books rather than a collection of conventional paper books.

A widespread and convenient distribution system would greatly increase customer acceptance of electronic books. Consumer acceptance will be enhanced if a system can be provided in a place where a customer is likely to frequently go, such as a supermarket, or where having such a system readily available would increase the likelihood and convenience of impulse purchases, such as an airport gift shop or hotel lobby. Acceptance will also be enhanced if the

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system allows easy access to a wide variety of titles in a single location, with provisions to allow browsing or searching of titles, or other means of finding titles matching customer interests.

Consumer acceptance would also be enhanced if the system could be operated directly by the customer. A system which could be efficiently and conveniently operated by a customer would avoid the need for customers to wait for assistance from a retail employee. A customer operated system would also allow distribution in locations where it was costly or inconvenient to offer in-person employee assistance such as serving customers on a round-the-clock basis, for example, and would thus allow for a wider variety of placement locations.

At present, a further obstacle to widespread distribution of electronic books is the problem of piracy. Piracy is not a problem with paper books, as the cost of illicitly duplicating a paper book is typically greater than the cost of purchasing a new copy. With electronic media, however, duplication can be both simple and inexpensive. In the absence of sufficient safeguards, a customer could pay for and download a single copy of a book, and could then distribute illicit copies via the Internet. Any distribution system for electronic books should include safeguards or other aspects to prevent piracy, or the system cannot be commercially viable.

The present invention advantageously addresses such problems as those outlined above. One information distribution system according to the present invention includes a plurality of customer self-service stations adapted to transfer data to a portable reader or alternatively to a smart card. Each station includes a point of sale terminal for processing financial information, as well as information processing resources for retrieving electronic books and other information and transferring the information to portable readers or smart cards. The system provides servers for supporting the self-service stations by providing content for distribution, advertising and customer interface selections, as well as for the collection and processing of customer information collected

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from the self-service stations. Each station collects customer information based on customer selections made at the station or stored in a portable reader or smart card. The customer information is transferred to a central repository and processed for merchandising or customer incentives for purchasing electronic media. When a customer initiates a session at a self-service station, the station retrieves customer information from the central repository as well as or alternatively from the reader or smart card, and uses the customer information to develop menus and offer suggestions. Customer inputs are used to make selections and conduct transactions, and to select from various help and conference options. The station may also offer incentives based on retrieved customer information and customer inputs.

The present invention relates generally to a self service terminal providing a customer the capability to download electronic media to the customer's contact device, such as an electronic book reader, PDA, smart card, or the like. Additionally, the present invention includes an electronic media distribution system which includes a network of these specifically developed self service terminals in addition to various servers providing the infrastructure to accomplish downloading electronic media in a commercial and public environment.

#### The Art Rejections

All of the art rejections hinge on the application of Heutschi and McManus. As addressed in greater detail below, Heutschi and McManus do not support the Official Action's reading of them and the rejections based thereupon should be reconsidered and withdrawn. Further, the Applicant does not acquiesce in the analysis of Heutschi and McManus made by the Official Action and respectfully traverses the Official Action's rejections.

Heutschi's reference date is September 2, 1999 while the present invention's filing date is January 11, 2000. It is not admitted that Heutschi is in fact prior art. Nonetheless, the present

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response addresses fundamental differences between the present invention and Heutschi rather than undertaking the burden of swearing behind Heutschi.

Claims 1, 2, 5-8, and 10-24 were rejected under 35 U.S.C. §103(a) based on Heutschi. Heutschi is entitled "Electronic Device, Prefereably An Electronic Book." The disclosure of Heutschi only peripherally describes an electronic kiosk. Heutschi's Fig. 2 illustrates a block diagram of a data transmission system which includes a touch screen sensor, credit card reader, money introduction device, data selector, and other various components typical of a general kiosk. The corresponding disclosure at col. 3, line 57- col. 4, line 5 is sparse. The interfaces of the data transmission system are described as "a plug, a cable or a modulated electromagnetic wave." Heutschi, col. 3, lines 62-63.

Unlike Heutschi, the present invention utilizes a customer's purchase and usage patterns to generate customer information displays and to generate selectable electronic purchase options of electronic media based on these patterns. The customer information is gathered from both a central repository and a contact device, such as, an electronic book, smart card, or the like. The present invention advantageously combines information stored at the device with that which is stored at a central repository. For example, a customer's purchase history may be centrally stored while the reading habits of the user may be stored on the contact device. The present invention provides for the combination of this information to offer the customer selectable options for purchase. For example, more purchase selections may be presented to an avid reader than an average reader. Customer loyalty programs from non-electronic media purchases stored on the smart card may be combined to provide the electronic media distributor additional marketing options with overlapping markets. The self service terminal, as claimed in claim 1, recites

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A self-service terminal for allowing customer download of electronic media comprising:

a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns;

a customer input interface including a display for communicating information to a customer describing available options and choices, the customer input interface allowing input from a customer, the customer input interface allowing a customer to select electronic media for purchase;

a data acquisition interface for acquiring customer selected electronic media for transfer to the customer;

a data transfer interface for transferring customer selected electronic media to the customer contact device; and

a processor for receiving the customer information, using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections. (emphasis added)

Heutschi does not teach and does not suggest a customer information interface to receive customer information from a customer contact device and a central repository which includes purchase and usage patterns as claimed. Heutschi does not teach and does not suggest a processor for "using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections." See also method claim 18. The features of claim 1 are not taught and are not suggested by Heutschi, but are advantageously addressed by the present invention. It would not be obvious to provide a self service terminal which provides electronic media for purchase and customized selectable options according to the customer's information stored on both the contact device and the central repository based upon using Heutschi's very limited teachings.

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Fig. 1 of Heutschi purportedly illustrates the "total solution with interfaces to the internet." The corresponding disclosure describes the book store as having "an accounting system" for charging for purchased media and a "data bank" for storing the electronic media. Heutschi, col. 3, lines 42-43. The disclosure of the "total solution" is limited to col. 3, lines 38-56 and Fig. 1.

In contrast to Heutschi, the present invention addresses a distribution terminal, a terminal support manager, a terminal data manager to address the system for delivering electronic media for purchase to a distribution terminal. The terminal support manager advantageously stores customer information such as preferences and purchasing history and provides this information to the distribution terminal where it combines the customer contact information retrieved from the contact device with the customer information to generate tailored selectable options for the user.

Claim 10 recites

A system for distribution of electronic media comprising:

a distribution terminal adapted to establish contact with a customer using a customer contact device and to transfer the customer selected electronic media to the customer contact device, the distribution terminal adapted to receive customer contact information from the customer contact device;

a terminal support manager for storing customer information including customer characteristics and preferences and providing the customer information to the distribution terminal for use in developing customer tailored selectable options and suggestions based on customer information and customer contact information; and

a terminal data manager for storing and retrieving electronic media to be distributed to the customer and for transferring customer selected electronic media to the terminal as needed;

wherein the customer selects electronic media for purchase, the distribution station receiving the selected electronic media from the terminal data manager as needed, and the distribution station transferring the customer selected electronic media to the customer contact device. (emphasis added)

Heutschi does not teach and does not suggest a terminal support manager "for storing customer information including customer characteristics and preferences and providing the

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customer information to the terminal for use in developing customer tailored selectable options and suggestions based on customer information and customer contact information" as claimed.

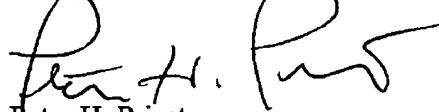
Claim 9 was rejected under 35 U.S.C. §103(a) based on Heutschi in view of McManus.

McManus is taken from Melody Maker which references Cerberus. The article states that Cerberus "takes the concept[creating compilation albums online] one stage further by selling through burn-while-you-wait in-store kiosks, where customers can make a compilation on the spot and leave the shop with the finished CD." McManus, page 1, lines 43-44. No further discussion of the kiosk to accomplish this end is provided. It is believed that this conclusory disclosure may not be enabling, but in any case, it clearly does not suggest and does not make obvious to one of ordinary skill in the art an electronic distribution self-service terminal as presently claimed.

#### Conclusion

All of the presently pending claims define over the applied art. The present rejections should be withdrawn and the claims promptly allowed.

Respectfully submitted,



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